

~~SECRET~~*Office Memorandum* • UNITED STATES GOVERNMENT

TO : Chief, Industrial Division, ORR

DATE: 2 January 1958

FROM : Acting Chief, Electrical Equipment Branch, ORR

SUBJECT: Monthly Report, December 1957

1. Accomplishmentsa. Branch Projects Submitted

None.

b. Other Projects Submitted

None.

c. Special Research

None.

2. Training

25X1A9a [REDACTED] - German language (continuing).
[REDACTED] Basic Management (completed).

3. Trips

None.

4. Administration

A review of the Branch research program for the remainder of Fiscal 1958 was conducted, with representatives of the Branch, Division and ERA participating.

5. Plans

Branch planning was initiated and developed for the exploitation of:

a. A probable US/USSR exchange of electronics industry specialists in the spring and early summer of 1958.

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6. Problems

On a recent visit to Y Building members of the Branch learned that FDD has unilaterally instituted a new system for meeting our requirements in the field of Soviet electronics. Under this system, responsibility for scanning, abstracting, translating and publishing has been

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Certain aspects of this development are somewhat disturbing to the Branch. In the first place, insofar as we know, neither the Division nor the Branch were consulted in this matter, nor advised that such a step was being contemplated. Consequently, at a time when events have impelled the Branch to devote priority research efforts to electronics rather than electrical machinery, FDD has maintained its effort on electrical machinery but has "farmed out" electronics. Another result of this change is to reduce effective communication between ourselves and those making available to us a very important source of intelligence information. Under the old system, it was possible to discuss requirements, projects and problems directly with FDD counterparts. In addition, the FDD publications containing information on Soviet electronics were systematically disseminated to us at short intervals. Under the new contractual system, direct communication with [REDACTED] is neither feasible nor would it, in all probability, be permitted by FDD. All our requirements, questions, and special requests will now have to be formalized as written memoranda, coordinated with and transmitted through FDD before they are sent on to an uncleared source who is located 250 miles away. FDD apparently believed that its

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[REDACTED] could satisfactorily meet our requirements. The net effect thus far has been, however, that while FDD has for several months been systematically reducing its own publication of Soviet electronics information, we have received only one publication from [REDACTED]. Although improvement in both quantity and quality of the [REDACTED] product may conceivably be expected for the future, our inflow of useful open-source information on the Soviet electronics industry has diminished appreciably since the late summer of 1957.

7. Recommendations

Since FDD's new arrangement is already a fait accompli, we recognize that we must, at least for the present, try to live with their decision. Nonetheless, on the premise that Soviet electronics cannot be regarded as a marginal intelligence target, we propose that with Division support the subject of this particular contract be reopened and discussed with FDD at the earliest opportunity.

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8. Other Information

a. Projects Due in D/I During January

36.905, "Prices, Costs and Labor Productivity in the Soviet
Bloc Electrotechnical Industry".

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